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### DEPARTMENT OF COMMERCE

**International Trade Administration** 

[C-570-997, C-580-873, C-583-852]

Non-Oriented Electrical Steel from the People's Republic of China, the Republic of Korea, and Taiwan: Initiation of Countervailing Duty Investigations

AGENCY: Enforcement and Compliance, formerly Import Administration, International

Trade Administration, Department of Commerce

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Joshua Morris at (202) 482-1779 (the People's Republic of China (PRC)); Austin Redington at (202) 482-1664 (the Republic of Korea (Korea)); and Patricia Tran at (202) 482-1503 (Taiwan), AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION

## **The Petitions**

On September 30, 2013,<sup>1</sup> the Department of Commerce (the Department) received countervailing duty (CVD) petitions concerning imports of non-oriented electrical steel (NOES) from the PRC, Korea, and Taiwan, filed in proper form on behalf of AK Steel Corporation (petitioner). The CVD petitions were accompanied by six antidumping duty (AD) petitions.<sup>2</sup> The petitioner is a domestic producer of NOES. On October 22, 2013, the Department requested

<sup>&</sup>lt;sup>1</sup> As explained in the memorandum from the Assistant Secretary for Enforcement and Compliance, the Department has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 1, through October 16, 2013. *See* Memorandum for the Record from Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (October 18, 2013). Therefore, all deadlines in this segment of the proceeding have been extended by 16 days.

<sup>&</sup>lt;sup>2</sup> See Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Non-Oriented Electrical Steel from People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan, dated September 30, 2013 (Petitions).

information and clarification for certain areas of the Petitions.<sup>3</sup> The petitioner filed responses to these requests on October 25,<sup>4</sup> and October 30, 2013.<sup>5</sup>

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that the Governments of the PRC (GOC), Korea (GOK), and Taiwan (GOT) are providing countervailable subsidies (within the meaning of sections 701 and 771(5) of the Act) to imports of NOES from the PRC, Korea, and Taiwan, and that such imports are materially injuring, or threaten to cause material injury to, the domestic industry producing NOES in the United States pursuant to section 701 of the Act. Also, consistent with section 702(b)(1) of the Act, the Petitions are accompanied by information reasonably available to petitioner supporting its allegations.

The Department finds that the petitioner filed the Petitions on behalf of the domestic industry because the petitioner is an interested party as defined in section 771(9)(C) of the Act, and that the petitioner has demonstrated sufficient industry support with respect to the initiation of the investigations the petitioner is requesting.<sup>6</sup>

## Period of Investigations

The period of the investigations is January 1, 2012, through December 31, 2012.

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<sup>&</sup>lt;sup>3</sup> See letter from the Department to petitioner entitled "Re: Petitions for the Imposition of Antidumping Duties on Imports of Non-Oriented Electrical Steel from the People's Republic of China, the Federal Republic of Germany, Japan, Republic of Korea, Sweden, and Taiwan and Countervailing Duties on Imports of Non-Oriented Electrical Steel from the People's Republic of China, Republic of Korea, and Taiwan: Supplemental Questions, dated October 22, 2013, and letters from the Department to petitioner entitled "Petition for the Imposition of Countervailing Duties on Imports of Non-Oriented Electrical Steel from {country}: Supplemental Questions" on each of the country-specific records dated October 22, 2013.

<sup>&</sup>lt;sup>4</sup> See Supplemental to the PRC Petition, dated October 25, 2013 (PRC Supplemental); Supplemental to the Korea Petition, dated October 25, 2013 (Korea Supplemental); and Supplemental to the Taiwan Petition, dated October 25, 2013 (Taiwan Supplemental).

<sup>&</sup>lt;sup>5</sup> See Supplemental to the Japan Petition, dated October 30, 2013 (Japan Supplemental).

<sup>&</sup>lt;sup>6</sup> See "Determination of Industry Support for the Petitions" below.

# Scope of Investigations

The product covered by these CVD investigations is NOES from the PRC, Korea, and Taiwan. For a full description of the scope of these investigations, *see* the "Scope of Investigations" in Appendix I of this notice.

## Comments on Scope of Investigations

During our review of the Petitions, the Department issued questions to, and received responses from, the petitioner pertaining to the proposed scope to ensure that the scope language in the Petitions would be an accurate reflection of the products for which the domestic industry is seeking relief. As discussed in the preamble to the regulations, we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages interested parties to submit such comments by 5:00 p.m. Eastern Time on November 26, 2013. All comments must be filed on the records of the PRC, Korea, and Taiwan CVD investigations, as well as the concurrent PRC, Germany, Japan, Korea, Sweden, and Taiwan AD investigations. Filing Requirements

All submissions to the Department must be filed electronically using IA ACCESS.<sup>8</sup> An electronically filed document must be received successfully in its entirety by the time and date noted above. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the deadline noted above.

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<sup>&</sup>lt;sup>7</sup> See Antidumping Duties; Countervailing Duties, 62 FR 27296, 27323 (May 19, 1997).

<sup>&</sup>lt;sup>8</sup> See Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures, 76 FR 39263 (July 6, 2011) for details of the Department's electronic filing requirements, which went into effect on August 5, 2011. Information on help using IA ACCESS can be found at <a href="https://iaaccess.trade.gov/help.aspx">https://iaaccess.trade.gov/help.aspx</a> and a handbook can be found at <a href="https://iaaccess.trade.gov/help/Handbook%20on%20Electronic%20Filling%20Procedures.pdf">https://iaaccess.trade.gov/help/Handbook%20on%20Electronic%20Filling%20Procedures.pdf</a>.

## Consultations

Pursuant to section 702(b)(4)(A)(ii) of the Act, the Department invited representatives of the GOC, the GOK, and the GOT for consultations with respect to the Petitions. Consultations were held with the GOT on October 28, 2013, the GOC on November 4, 2013, and the GOK on November 5, 2013. All memoranda are on file electronically via IA ACCESS.

## Determination of Industry Support for the Petitions

Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 702(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the industry.

<sup>&</sup>lt;sup>9</sup> See Letter of Invitation Regarding Countervailing Duty Petition on Non-Electrical Steel from the People's Republic of China, dated September 30, 2013; Letter of Invitation Regarding Countervailing Duty Petition on Non-Electrical Steel from the Republic of Korea, dated September 30, 2013; Letter of Invitation for Consultations to Discuss the Countervailing Duty Petition Regarding Countervailing Duty Petition on Non-Oriented Electrical Steel from Taiwan, dated September 30, 2013.

<sup>&</sup>lt;sup>10</sup> See Ex-Parte Memorandum, "Ex-Parte Meeting with Taipei Economic and Cultural Representative Office in the United States on the Countervailing Duty Petition on Non-Oriented Electrical Steel (NOES) from Taiwan," dated October 29, 2013; "Ex-Parte Meeting with Officials from the Government of Korea on the Countervailing Duty Petition on Non-Oriented Electrical Steel from Korea," dated November 5, 2013; "Consultations with Officials from the People's Republic of China (PRC) on the Countervailing Duty Petition on Non-Oriented Electrical Steel from the PRC," dated November 5, 2013.

<sup>&</sup>lt;sup>11</sup> See supra note 8 for information pertaining to IA ACCESS.

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product, <sup>12</sup> they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.<sup>13</sup>

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation" (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petitions).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that NOES constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product.<sup>14</sup>

<sup>&</sup>lt;sup>12</sup> See section 771(10) of the Act.

<sup>&</sup>lt;sup>13</sup> See USEC, Inc. v. United States, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing Algoma Steel Corp., Ltd. v. United States, 688 F. Supp. 639, 644 (CIT 1988), aff'd 865 F.2d 240 (Fed. Cir. 1989)).

<sup>&</sup>lt;sup>14</sup> For a discussion of the domestic like product analysis in this case, *see* Countervailing Duty Investigation

In determining whether the petitioner has standing under section 702(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the "Scope of the Investigations," in Appendix I of this notice. To establish industry support, the petitioner provided its own production of the domestic like product in 2012.<sup>15</sup> The petitioner states that it is the only producer of NOES in the United States; therefore, the Petitions are supported by 100 percent of the U.S. industry. 16

On October 28, 2013, we received a submission on behalf of JFE Steel Corporation and Nippon Steel & Sumitomo Metal Corporation, Japanese producers of NOES, questioning the petitioner's industry support calculation. On October 30, 2013, the petitioner responded to the Japanese producers' industry support comments. 17

Our review of the data provided in the Petitions, supplemental submissions, and other information readily available to the Department indicates that the petitioner has established industry support. 18 First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product.<sup>19</sup> Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(i) of the Act because the domestic producers (or workers) who

Initiation Checklist: Non-Oriented Electrical Steel from the People's Republic of China (PRC CVD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Petitions Covering Non-Oriented Electrical Steel from the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan (Attachment II); Countervailing Duty Investigation Initiation Checklist: Non-Oriented Electrical Steel from the Republic of Korea (Korea CVD Initiation Checklist), at Attachment II; and Countervailing Duty Investigation Initiation Checklist: Non-Oriented Electrical Steel from Taiwan (Taiwan CVD Initiation Checklist), at Attachment II. These checklists are dated concurrently with this notice and on file electronically via IA ACCESS. Access to documents filed via IA ACCESS is also available in the Central Records Unit, Room 7046 of the main Department of Commerce building. See Volume I of the Petitions, at 2.
Id., at 2 and Exhibit I-1.

<sup>&</sup>lt;sup>17</sup> For further discussion of these submissions, see PRC AD Initiation Checklist, Germany Initiation Checklist, Japan Initiation Checklist, Korea AD Initiation Checklist, Sweden Initiation Checklist, and Taiwan AD Initiation Checklist, at Attachment II.

<sup>&</sup>lt;sup>18</sup> See China CVD Initiation Checklist, Korea CVD Initiation Checklist, and Taiwan CVD Initiation Checklist, at Attachment II.

<sup>&</sup>lt;sup>19</sup> *Id.*; see also section 702(c)(4)(D) of the Act.

support the Petitions account for at least 25 percent of the total production of the domestic like product.<sup>20</sup> Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions.<sup>21</sup> Accordingly, the Department determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 702(b)(1) of the Act.

The Department finds that the petitioner filed the Petitions on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) of the Act and it has demonstrated sufficient industry support with respect to the CVD investigations that it is requesting the Department initiate.<sup>22</sup>

# **Injury Test**

Because the PRC, Korea, and Taiwan are "Subsidies Agreement Countries" within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act applies to these investigations. Accordingly, the ITC must determine whether imports of the subject merchandise from the PRC, Korea, and/or Taiwan materially injure, or threaten material injury to, a U.S. industry.

# Allegations and Evidence of Material Injury and Causation

The petitioner alleges that imports of the subject merchandise are benefitting from countervailable subsidies and that such imports are causing, or threaten to cause, material injury

<sup>21</sup> *Id*. <sup>22</sup> *Id*.

<sup>&</sup>lt;sup>20</sup> See PRC CVD Initiation Checklist, Korea CVD Initiation Checklist, and Taiwan CVD Initiation Checklist, at Attachment II.

to the U.S. industry producing the domestic like product. The petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>23</sup>

The petitioner contends that the industry's injured condition is illustrated by reduced market share; underselling and price depression or suppression; lost sales and revenues; and adversely impacted production, capacity utilization, and financial performance.<sup>24</sup> We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation.<sup>25</sup>

## Initiation of Countervailing Duty Investigations

Section 702(b)(1) of the Act requires the Department to initiate a CVD investigation whenever an interested party files a CVD petition on behalf of an industry that: (1) alleges the elements necessary for an imposition of a duty under section 701(a) of the Act; and (2) is accompanied by information reasonably available to the petitioner supporting the allegations. In the Petitions, the petitioner alleges that producers of NOES in the PRC, Korea, and Taiwan benefited from countervailable subsidies bestowed by their respective governments. The Department has examined the Petitions and finds that they comply with the requirements of section 702(b)(1) of the Act. Therefore, in accordance with section 702(b)(1) of the Act, we are initiating CVD investigations to determine whether manufacturers, producers, or exporters of NOES from the PRC, Korea, and Taiwan receive countervailable subsidies from their respective governments.

<sup>&</sup>lt;sup>23</sup> See Volume I of the Petitions, at 11 and Exhibit I-8.

<sup>&</sup>lt;sup>24</sup> *Id.*, at 9-28 and Exhibits I-6 through I-25.

<sup>&</sup>lt;sup>25</sup> See China CVD Initiation Checklist, Korea CVD Initiation Checklist, and Taiwan CVD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Petitions Covering Non-Oriented Electrical Steel from the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan.

## **PRC**

Based on our review of the Petitions, we find that there is sufficient information to initiate a CVD investigation of 30 alleged programs. For a full discussion of the basis for our decision to initiate or not initiate on each program, *see* PRC CVD Initiation Checklist.

#### Korea

Based on our review of the Petitions, we find that there is sufficient information to initiate a CVD investigation of 17 alleged programs. For a full discussion of the basis for our decision to initiate or not initiate on each program, *see* Korea CVD Initiation Checklist.

### Taiwan

Based on our review of the Petitions, we find that there is sufficient information to initiate a CVD investigation of 6 alleged programs. For a full discussion of the basis for our decision to initiate or not initiate on each program, *see* Taiwan CVD Initiation Checklist.

A public version of the initiation checklist for each investigation is available on IA ACCESS and at <a href="http://trade.gov/enforcement/news.asp">http://trade.gov/enforcement/news.asp</a>.

# Respondent Selection

Petitioner named three companies as producers/exporters of NOES from Korea, two from Taiwan, and 25 from the PRC.<sup>26</sup> Following standard practice in CVD investigations, the Department will, where appropriate, select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports of NOES. For Korea and the PRC, we intend to release CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO shortly after the announcement of these case initiations. For Taiwan, the Department intends to examine all known producers/exporters identified in the Petitions in these

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<sup>&</sup>lt;sup>26</sup> See the Petitions at Volume I, Exhibit I-4.

investigations.<sup>27</sup> The Department invites comments regarding respondent selection within seven days of publication of this *Federal Register* notice.

# <u>Distribution of Copies of the Petitions</u>

In accordance with section 702(b)(4)(A)(i) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the representatives of the GOC, GOK, and GOT. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions to each known exporter (as named in the Petitions), as provided in 19 CFR 351.203(c)(2).

# ITC Notification

We have notified the ITC of our initiation, as required by section 702(d) of the Act.

# Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, <sup>28</sup> whether there is a reasonable indication that imports of NOES from the PRC, Korea, and Taiwan are materially injuring, or threatening material injury to, a U.S. industry. <sup>29</sup> A negative ITC determination for any country will result in the investigation being terminated with respect to that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

## Submission of Factual Information

On April 10, 2013, the Department published *Definition of Factual Information and Time Limits for Submission of Factual Information: Final Rule*, 78 FR 21246 (April 10, 2013), which

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<sup>&</sup>lt;sup>27</sup> The Petitions name China Steel Corporation and Leicong Industrial Company, Ltd., as producers/exporters of NOES in Taiwan. *See id.* 

<sup>&</sup>lt;sup>28</sup> Due to the shutdown of the Federal Government, the ITC has also tolled its preliminary determination by 16 days, which is Saturday, November 30, 2013. Because November 30 is a Saturday, the actual deadline is Monday, December 2, 2013.

<sup>&</sup>lt;sup>29</sup> See section 703(a) of the Act.

modified two regulations related to AD and CVD proceedings: the definition of factual information (19 CFR 351.102(b)(21)), and the time limits for the submission of factual information (19 CFR 351.301). The final rule identifies five categories of factual information in 19 CFR 351.102(b)(21), which are summarized as follows: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by the Department; and (v) evidence other than factual information described in (i)–(iv). The final rule requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct. The final rule also modified 19 CFR 351.301 so that, rather than providing general time limits, there are specific time limits based on the type of factual information being submitted. These modifications are effective for all proceeding segments initiated on or after May 10, 2013, and thus are applicable to these investigations. Please review the final rule, available at http://enforcement.trade.gov/frn/2013/1304frn/2013-08227.txt, prior to submitting factual information in these investigations.

## Revised Extension of Time Limits Regulation

On September 20, 2013, the Department modified its regulation concerning the extension of time limits for submissions in AD and CVD proceedings. 30 The modification clarifies that parties may request an extension of time limits before a time limit established under Part 351 expires, or as otherwise specified by the Secretary. In general, an extension request will be

<sup>&</sup>lt;sup>30</sup> See Extension of Time Limits; Final Rule, 78 FR 57790 (September 20, 2013).

considered untimely if it is filed after the time limit established under Part 351 expires. For submissions which are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. on the due date. Examples include, but are not limited to: (1) Case and rebuttal briefs, filed pursuant to 19 CFR 351.309; (2) factual information to value factors under section 19 CFR 351.408(c), or to measure the adequacy of remuneration under section 19 CFR 351.511(a)(2), filed pursuant to 19 CFR 351.301(c)(3) and rebuttal, clarification and correction filed pursuant to 19 CFR 351.301(c)(3)(iv); (3) comments concerning the selection of a surrogate country and surrogate values and rebuttal; (4) comments concerning CBP data; and (5) quantity and value questionnaires. Under certain circumstances, the Department may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, the Department will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. This modification also requires that an extension request must be made in a separate, stand-alone submission, and clarifies the circumstances under which the Department will grant untimely-filed requests for the extension of time limits. These modifications are effective for all segments initiated on or after October 21, 2013. Review Extension of Time Limits; Final Rule, available at http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm, prior to submitting factual information in this segment.

## **Certification Requirements**

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>31</sup> Parties are hereby reminded that revised certification requirements are in effect for company/government officials, as well as their representatives, in all segments of any AD or CVD proceedings initiated on or after March 14, 2011.<sup>32</sup> The formats for the revised certifications are provided at the end of the *Interim Final* Rule. Foreign governments and their officials may continue to submit certifications in either the format that was in use prior to the effective date of the *Interim Final Rule*, or in the format provided in the *Interim Final Rule*.<sup>33</sup> The Department intends to reject factual information submissions if the submitting party does not comply with the revised certification requirements. Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, the Department published Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures, 73 FR 3634 (January 22, 2008). Parties wishing to participate in either investigation should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

<sup>&</sup>lt;sup>31</sup> See section 782(b) of the Act.

<sup>&</sup>lt;sup>32</sup> See Certification of Factual Information for Import Administration during Antidumping and Countervailing Duty Proceedings: Interim Final Rule, 76 FR 7491 (February 10, 2011) (Interim Final Rule), amending 19 CFR 351.303(g)(1) and (2).

<sup>33</sup> See Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings: Supplemental Interim Final Rule, 76 FR 54697 (September 2, 2011).

Paul Piquado	
Assistant Secretary	
for Enforcement and Compliance	
November 6, 2013	
Date	

This notice is issued and published pursuant to section 777(i) of the Act.

## Appendix I

# **Scope of the Investigations**

The merchandise subject to these investigations consists of non-oriented electrical steel (NOES), which includes cold-rolled, flat-rolled, alloy steel products, whether or not in coils, regardless of width, having an actual thickness of 0.20 mm or more, in which the core loss is substantially equal in any direction of magnetization in the plane of the material. The term "substantially equal" in the prior sentence means that the cross grain direction of core loss is no more than 1.5 times the straight grain direction (*i.e.*, the rolling direction) of core loss. NOES has a magnetic permeability that does not exceed 1.65 Tesla when tested at a field of 800 A/m (equivalent to 10 Oesteds) along (*i.e.*, parallel to) the rolling direction of the sheet (*i.e.*, B<sub>800</sub> value). NOES contains by weight at least 1.25 percent of silicon but less than 3.5 percent of silicon, not more than 0.08 percent of carbon, and not more than 1.5 percent of aluminum.

NOES is subject to these investigations whether it is fully processed (fully annealed to develop final magnetic properties) or semi-processed (finished to final thickness and physical form but not fully annealed to develop final magnetic properties); whether or not it is coated (*e.g.*, with enamel, varnish, natural oxide surface, chemically treated or phosphate surface, or other non-metallic materials). Fully processed NOES is typically made to the requirements of ASTM specification A 677, Japanese Industrial Standards (JIS) specification C 2552, and/or International Electrotechnical Commission (IEC) specification 60404-8-4. Semi-processed NOES is typically made to the requirements of ASTM specification A 683. However, the scope of these investigations is not limited to merchandise meeting the specifications noted above.

NOES is sometimes referred to as cold-rolled non-oriented electrical steel (CRNO), non-grain oriented (NGO), non-oriented (NO), or cold-rolled non-grain oriented (CRNGO). These terms are interchangeable.

The subject merchandise is provided for in subheadings 7225.19.0000, 7226.19.1000, and 7226.19.9000 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also be entered under subheadings 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, 7226.92.8050, 7226.99.0180 of the HTSUS. Although HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

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